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BY ELECTRONIC MAIL

June 26, 2023

Ms. Carolina Guzmán Tejera
Interim Secretary
Department of Family

Re: COSALL Housekeeping Services

Dear Ms. Guzmán Tejera,

In accordance with the Contract Review Policy of the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), established pursuant to Section 204(b)(2) of PROMESA, we have reviewed the proposed contract between the Department of Family (the “Department”) and Corporación de Servicios de Ama de Llaves (“COSALL”) for housekeeping services for the Administration for Families and Children (“ADFAN,” for its Spanish acronym) (the “Proposed Contract”).

After reviewing the Proposed Contract, the Oversight Board concludes “Approved with Observations.” Observations related to the Proposed Contract are set forth in Appendix A attached hereto.

Our review is solely limited to compliance of the Proposed Contract with Section 204(b)(2) of PROMESA, which seeks to ensure proposed contracts promote market competition and are not inconsistent with approved Fiscal Plans. For the avoidance of doubt, the review performed by the Oversight Board does not constitute a legal review of the contractual documentation or the contracting process, including without limitation: (i) compliance with contracting requirements under applicable laws, rules, and regulations, both federal and local; and (ii) compliance with applicable laws, rules, and regulations governing procurement activities, both federal and local.

In addition, the Oversight Board has not engaged in any due diligence or background check with respect to the contracting parties nor whether the contracting parties comply with the requirements under the applicable contract. Any material changes to the Proposed Contract must be submitted to the Oversight Board for review and approval **prior to execution**.

Ms. Guzmán Tejera

June 30, 2023

Page 2 of 2

This letter is delivered as of the date hereof and we reserve the right to provide additional observations and modify this letter based on information the Oversight Board was not directed to when the review was conducted. In addition, during the course of our review, we may receive information that we may refer to the relevant authorities.

This letter is issued only to the Department and solely with respect to the Proposed Contract.

Sincerely,



Jaime A. El Koury
General Counsel

APPENDIX A

(Page A-1)

DEPARTMENT OF FAMILY – COSALL

Fiscal Plan Alignment

This review covers the Proposed Contract between the Department and COSALL, which contemplates assisted personal care for participants and beneficiaries of the Department's Social Services Program for the Elderly and Adults with Disabilities.

The Proposed Contract has a term from its date of execution until **June 30, 2024**, and a maximum payable amount of **\$12,000,000**, payable with General funds to be allocated in **Account No. E-1294-111-1230000-1080-003-2024**. However, as of the date of this letter, the Commonwealth's Fiscal Year 2024 budget is yet to be certified. Consequently, the Department must ensure that the costs associated with the Proposed Contract are incorporated into the Fiscal Year 2024 Certified Budget to ensure consistency therewith. Moreover, once the Fiscal Year 2024 budget has been certified, the Department must submit an updated Fund Availability Certification by **July 15, 2023** in the format set forth in Appendix A (Contract Submission Questionnaire), including accurate information for the corresponding account.

The Department is expected to inform the Oversight Board of any budgetary differences other than those specified in Appendix A (Contract Submission Questionnaire) and to request a re-review of the Proposed Contract should any changes occur.

This review was conducted on the basis of information submitted by the Department. The Oversight Board has not independently verified the information included in the submission. Should the Oversight Board become aware of any inaccuracies or misrepresentations – whether intentional or not – it would re-evaluate its assessment.